



State of Delaware 457 Deferred Compensation Plan

Important information for employees nearing retirement...

- The Deferred Comp Plan allows employees to defer money on a pre-tax basis for the purpose of saving for retirement. Contributions and earnings grow tax-deferred - meaning taxes are paid when the money is withdrawn – which for most people is in retirement when they are in a lower tax bracket.
- Employees, who are pension eligible, can participate at any time during their employment with the State, including from their final payout check.
- Plan accounts are funded through payroll deductions. The minimum deduction amount is \$10 per pay period. The maximum amounts are below for 2010:
 - \$16,500 for all employees; plus
 - \$5,500 for employees who are at least 50 years of age; or
 - \$16,500 for employees who are nearing retirement age (contact Treasurer's Office to determine eligibility).
- The Deferred Comp Plan has over 280 different mutual fund options that you can invest in. A complete list can be found on the Deferred Comp Plan webpage at www.treasurer.delaware.gov.
- Investment options and/or deduction amounts can easily be changed.
- To enroll in the Plan or to make changes to your existing account, contact Fidelity Investments at 800-343-0860 or www.fidelity.com/atwork. Representatives are available Monday - Friday, 8:00 AM to midnight ET.
- Participants can access the money in their account as soon as 2 weeks following their last salary paycheck from the State.
- Participants can make rollovers from a previous employer's plan into the State's Plan- rollover forms are available by calling Fidelity.
- Participants can make rollovers from the State's Plan into an IRA or new employer's plan once they have separated from State service.
- Employees retiring or separating from State service can defer their accumulated sick and/or annual leave into the Plan- contact the Treasurer's Office for forms.
- Employees can also use money in the Plan to purchase service time, including a sick leave buy-in. The advantage is that you would never pay income taxes on the amount of the buy-in. Contact the Pension Office for eligibility, costs and forms.
- For more information on the Deferred Comp Plan, visit our website at www.treasurer.delaware.gov or call us at 302-672-6733.